

ASSEMBLY BILL

No. 1815

Introduced by Assembly Member Emmerson

February 11, 2010

An act to amend Section 5060 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1815, as introduced, Emmerson. Vehicles: special interest license plates.

Existing law authorizes private organizations to apply to the Department of Motor Vehicles for participation in special interest license plate programs authorized by legislation in which the department issues license plates with a participating organization's distinctive design, decal, or descriptive message and specifies the design criteria for the special license plate. Existing law requires that the organization collect and receive a minimum of 7,500 applications and fees for the special interest license plates from the date of the enactment of the legislation authorizing the special interest license plate. Existing law permits any individual to apply for an organization's special interest license plate.

This bill would make a technical, nonsubstantive change to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5060 of the Vehicle Code is amended to
2 read:

1 5060. (a) An organization may apply to the department for
2 participation in a special interest license plate program and the
3 department shall issue special license plates for that program if
4 the issuance of those plates is required by this article, the
5 sponsoring organization complies with the requirements of this
6 section, and the organization meets all of the following criteria:

7 (1) Qualifies for tax-exempt status under Section 501(c)(3) of
8 the Internal Revenue Code and Section 23701d of the Revenue
9 and Taxation Code.

10 (2) Submits a financial plan describing the purposes for which
11 the revenues described in paragraph (2) of subdivision (e) will be
12 used.

13 (3) Submits a design of the organization's proposed special
14 interest license plate that, among other things, provides for the
15 placement of the number and letter characters in a manner that
16 allows for law enforcement to readily identify those characters.

17 (b) Any person described in Section 5101 may apply for special
18 interest license plates, in lieu of the regular license plates.

19 (c) The design criteria for a special interest license plate are as
20 follows:

21 (1) The license plate for a passenger vehicle, commercial
22 vehicle, or trailer shall provide a space not larger than 2 inches by
23 3 inches to the left of the numerical series and a space not larger
24 than five-eighths of an inch in height below the numerical series
25 for a distinctive design, decal, or descriptive message as authorized
26 by this article. The plates shall be issued in sequential numerical
27 order or, pursuant to Section 5103, in a combination of numbers
28 or letters.

29 (2) Special interest license plates authorized under this article
30 may be issued for use on a motorcycle. That license plate shall
31 contain a five digit configuration issued in sequential numerical
32 order or, pursuant to Section 5103, in a combination of numbers
33 or letters. There shall be a space to the left of the numerical series
34 for a distinctive design or decal and the characters shall contrast
35 sharply with the uniform background color. No motorcycle plate
36 containing a full plate graphic design is authorized. Those particular
37 special interest license plates that were issued prior to the
38 discontinuation provided by this paragraph may continue to be
39 used and attached to the vehicle for which they were issued and
40 may be renewed, retained, or transferred pursuant to this code.

(d) (1) No organization may be included in the program until not less than 7,500 applications for the particular special interest license plates are received. Each organization shall collect and hold applications for the plates. Once the organization has received at least 7,500 applications, it shall submit the applications, along with the necessary fees, to the department. The department shall not issue any special interest license plate until an organization has received and submitted to the department not less than 7,500 applications for that particular special interest license plate within the time period prescribed in this section. Advanced payment to the department by an organization representing the department's estimated or actual administrative costs associated with the issuance of a particular special interest license plate shall not constitute compliance with this requirement. The organization shall have 12 months, following the effective date of the enactment of the specific legislation enabling the organization to participate in this program, to receive the required number of applications. If, after that 12 months, 7,500 applications have not been received, the organization shall immediately do either of the following:

(A) Refund to all applicants any fees or deposits that have been collected.

(B) Contact the department to indicate the organization's intent to undertake collection of additional applications and fees or deposits for an additional period, not to exceed 12 months, in order to obtain the minimum 7,500 applications. If an organization elects to exercise the option under this paragraph, it shall contact each applicant who has submitted an application with the appropriate fees or deposits to determine if the applicant wishes a refund of fees or deposits or requests the continuance of the holding of the application and fees or deposits until that time that the organization has received 7,500 applications. The organization shall refund the fees or deposits to any applicant so requesting. In no event shall an organization collect and hold applications for a period exceeding 24 months following the date of authorization as described in paragraph (2) of subdivision (a).

(C) Sequential plate fees shall be paid for the original issuance, renewal, retention, replacement, or transfer of the special interest license plate as determined by the organization and authorized by the department's regulations. Those plates containing a personalized message are subject to the fees required pursuant to

1 Sections 5106 and 5108 in addition to any fees required by the
2 special interest license plate program.

3 (2) (A) If the number of currently outstanding and valid special
4 interest license plates in any particular program provided for in
5 this article is less than 7,500, the department shall notify the
6 sponsoring organization of that fact and shall inform the
7 organization that if that number is less than 7,500 one year from
8 the date of that notification, the department will no longer issue
9 or replace those special interest license plates.

10 (B) Those particular special interest license plates that were
11 issued prior to the discontinuation provided by subparagraph (A)
12 may continue to be used and attached to the vehicle for which they
13 were issued and may be renewed, retained, or transferred pursuant
14 to this code.

15 (e) (1) The department shall deduct its costs to develop and
16 administer the special interest license plate program from the
17 revenues collected for the plates.

18 (2) The department shall deposit the remaining revenues from
19 the original issuance, renewal, retention, replacement, or transfer
20 of the special interest license plate in a fund which shall be
21 established by the Controller.

22 (f) When payment of renewal fees is not required as specified
23 in Section 4000, or when a person determines to retain the special
24 interest license plate upon a sale, trade, or other release of the
25 vehicle upon which the plate has been displayed, the person shall
26 notify the department and the person may retain and use the plate
27 as authorized by department regulations.

28 (g) An organization that is eligible to participate in a special
29 interest license plate program pursuant to this article and receives
30 funds from the additional fees collected from the sale of special
31 license plates shall not expend annually more than 25 percent of
32 those funds on administrative costs, marketing, or other
33 promotional activities associated with encouraging application for,
34 or renewal of, the special license plates.

35 (h) (1) Every organization authorized under this article to offer
36 special interest license plates shall prepare and submit an annual
37 accounting report to the department by June 30. The report shall
38 include an accounting of all revenues and expenditures associated
39 with the special interest license plate program.

(2) If an organization submits a report pursuant to paragraph (1) indicating that the organization violated the expenditure restriction set forth in subdivision (g), the department shall immediately cease depositing fees in the fund created by the Controller for that organization under paragraph (2) of subdivision (e) and, instead, shall deposit those fees that would have otherwise been deposited in that fund in a separate fund created by the Controller, which fund is subject to appropriation by the Legislature. The department shall immediately notify the organization of this course of action. The depositing of funds in the account established pursuant to this paragraph shall continue until the organization demonstrates to the satisfaction of the department that the organization is in compliance or will comply with the requirements of subdivision (g). If one year from the date that the organization receives the notice described in this paragraph, the organization is still unable to satisfactorily demonstrate to the department that it is in compliance or will comply with the requirements of subdivision (g), the department shall no longer issue or replace those special interest license plates associated with that organization. Those particular special interest license plates that were issued prior to the discontinuation provided by this paragraph may continue to be used and attached to the vehicle for which they were issued and may be renewed, retained, or transferred pursuant to this code.

(3) Upon receiving the reports required under paragraph (1), the department shall prepare and transmit an annual consolidated report to the Legislature containing the revenue and expenditure data.